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East Dunbartonshire Council

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EAST DUNBARTONSHIRE COUNCIL CHARITABLE TRUSTS

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

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Annual Trustees' Report

Introduction

The Trustees present the annual report together with the audited financial statements for the year ended 31 March 2018.

ADMINISTRATION INFORMATION

Charity Names & Numbers	East Dunbartonshire Council Charitable Trusts	SC025074
	Robert Lillie Trust	SC018495
	Talbot Crosbie Bequest	SC018494

Principal Office East Dunbartonshire Council HQ
Southbank Marina
12 Strathkelvin Place
Kirkintilloch G66 1TJ

Contact Address East Dunbartonshire Council
Finance
Broomhill Industrial Estate
Kirkintilloch G66 1TF

Trustees to 4 May 2017 Councillor Rhondda Geekie
Councillor John Jamieson
Councillor Billy Hendry
Councillor Ashay Ghai

Trustees Appointed 23 May 2017 Councillor Stewart MacDonald
Councillor John Jamieson
Councillor Vaughn Moody
Councillor Andrew Polson

Auditor Peter Lindsay
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT

Structure and Governance

East Dunbartonshire charitable trusts are registered with the Office of the Scottish Charity Regulator (OSCR).

The governing documents are:

East Dunbartonshire Council Charitable Trusts, Lennoxton Memorial Cairn - extract from Minute of Meeting of Western No.3 Campsie and Baldernock District Council, dated 14 November 1949 re Lennoxton Memorial Cairn.

East Dunbartonshire Council Charitable Trusts, Miss Hutchison's Legacy - extract of Will of Miss Hutchison dated 27 & 28 October 1941.

Robert Lillie Trust – the Will of Robert Lillie, dated 26 April 1949.

Talbot Crosbie Bequest – the Will of John Burrell Talbot Crosbie, dated 23 September 1968.

The governance arrangements are now under the control of East Dunbartonshire Council (the Council), who appoint Trustees as required. All Trustees are elected members of East Dunbartonshire Council. Following the Local Government elections on 4 May 2017 the trustees were appointed on 23 May 2017 to replace those appointed on 15 November 2012.

The charity Trustees have overall responsibility for ensuring that there are appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable

accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurances that:

- the charities are operating efficiently and effectively
- the charitable assets are safeguarded against unauthorised use and disposition
- proper records are maintained and financial information used by the charities is reliable
- the charities comply with relevant laws and regulations

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The systems of internal control follow that of the Council itself and, as such, much of this is delegated to the Chief Finance Officer (Section 95 Officer). The Council continually seeks to improve the effectiveness of its systems of internal control so that any irregularities are either prevented or quickly detected. The systems of internal control are based on a framework of regular management information, financial regulations, financial and administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Accounts and Trustees Report are prepared by the Finance service of the Council.

The appointed auditors are Audit Scotland. The Council has agreed to meet the cost of this audit and not pass this on to the Trust. This is to provide additional financial support to the Trust, ensuring that core funds are not eroded.

The Trustees meet annually and will ensure that the required accounting arrangements are adhered to. Due to the limited ability to spend funds under the current structure, approval was sought from OSCR to reorganise the Trusts. The funds for Lennoxton War Memorial Cairn and Miss Hutchison's Legacy will be utilised for the purposes that the charity was set up for. During 2017/18 approval was sought from OSCR to reorganise the Robert Lillie and to transfer the assets of the Trust to East Dunbartonshire Leisure and Culture Trust which is working to achieve the same aims. A decision is pending.

Management of Funds and Investment Policy

Decisions regarding the management of East Dunbartonshire Council Charitable Trusts are made by the Trustees. They rely on the expertise of the Council to manage the investments to ensure the maximum return at the least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

Funds available are invested each year with interest earned. Investments are made both internally, with the Council's Loans Fund, and externally for the Robert Lillie Trust and the Talbot Crosbie Bequest, which have investment funds managed by Brewin Dolphin.

Objectives and Activities

East Dunbartonshire Council Charitable Trusts is an "umbrella" trust comprising two small bequests for the upkeep of Lennoxton Memorial Cairn and Regent Gardens in Kirkintilloch.

The Robert Lillie Trust was a bequest for the building and upkeep of an art gallery in or near Milngavie, to be called the Lillie Art Gallery. The original bequest was used to fund the creation of the Lillie Art Gallery in Milngavie, which is owned by the Council but currently managed by East Dunbartonshire Leisure and Culture Trust. The income from the remaining sum is used to meet the running costs of the gallery.

The Talbot Crosbie Bequest is being treated as Common Good and is available for use, at the Council's discretion, for the benefit of the occupants of the former Burgh of Bearsden. This is primarily achieved by giving grants to appropriate organisations in the area of the former Bearsden and Milngavie District Council.

Performance

Income to East Dunbartonshire Council's charitable trusts comes from investment returns. The average interest rate for any internal investments with the Council's loans fund was 0.3% in 2017/18. There are also external investments for the Robert Lillie Trust and the Talbot Crosbie Bequest which are managed by Brewin Dolphin and these achieved an average yield of 3.3% and 3.9% respectively in 2017/18.

The funds from Miss Hutchison's Legacy will be used to refurbish part of Regent Gardens as part of the Kirkintilloch Town Centre Masterplan. The funds for the Lennoxton War Memorial Cairn will be used to plant poppies near where the Cairn was to mark the centenary of the end of WW1.

In 2017/18 no contribution was allocated from the Robert Lillie Trust towards the running costs of the Lillie Art Gallery. This was due to net cost incurred in the trading of stocks and shares by the investment managers, Brewin Dolphin, and this net cost is also shown in the Statement of Receipts and Payments.

A total of £0.02m was paid out in grants and donations to community organisations in keeping with the aims of the Talbot Crosbie Bequest.

Financial Review

The balances available to the Trusts and the income and expenditure during the financial year are set out in the Statement of Balances as at 31 March 2018 and the Statement of Receipts and Payments for the Year Ended 31 March 2018 in the financial statements following.

The Statement of Receipts and Payments overleaf shows a minor deficit for the Robert Lillie Trust due to the timing of investments and a surplus of £0.003m for the Talbot Crosbie due to a net increase of income over expenditure during 2017/18.

Reserves are held by the Council on behalf of the Trust and revenue income, generated from capital that has not been disbursed at 31 March every year, is invested in line with the investment policy outlined above. In general, the Trusts maintain the original capital sum and any expenditure will be from interest earned. This is in line with the conditions of the foundation of the Trusts. These amounts are shown in the Statement of Balances.

Declaration

This report was signed on behalf of the Trustees on 27 September 2018 by:

.....
Councillor Vaughn Moody
Trustee
East Dunbartonshire Council

.....
Councillor Andrew Polson
Trustee
East Dunbartonshire Council

Report of the Independent Auditors to the Trustees of East Dunbartonshire Council Charitable Trusts

Independent auditor's report to the trustees of Talbot Crosbie Bequest (SC018494), Robert Lillie Trust (SC018495), East Dunbartonshire Council Charitable Trusts (SC025074),

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Talbot Crosbie Bequest, Robert Lillie Trust and East Dunbartonshire Council Charitable Trusts for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2018 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Peter Lindsay
Senior Audit Manager
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

27 September 2018

Peter Lindsay is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Statement of Receipts and Payments for the Year Ended 31 March 2018

Charity	Unrestricted Funds						
	2017/18						
	Receipts			Payments			Surplus / (Deficit)
	Income from Investments	Net Receipt from Broker	Investment Managemt Costs	Net Cost of Investment Activities	Grants & Donations		
Note							
b	c	d	£	£	£	£	£
EDC Charitable Trusts	15	0	0	0	0		15
Robert Lillie	6,664	0	1,887	4,977	-194		-6
Talbot Crosbie	27,326	0	6,275	15,491	2,340		3,220
Total	34,005	0	8,162	20,468	2,146		3,229

Charity	Unrestricted Funds						
	2016/17						
	Receipts			Payments			Surplus / (Deficit)
	Income from Investments	Net Receipt from Broker	Investment Managemt Costs	Net Cost of Investment Activities	Grants & Donations		
Note							
b	c	d	£	£	£	£	£
EDC Charitable Trusts	27	0	0	0	0		27
Robert Lillie	6,510	8,266	1,725	0	13,120		-69
Talbot Crosbie	26,431	23,984	5,686	0	15,112		29,617
Total	32,968	32,250	7,411	0	28,232		29,575

N:B The figures for 2016/17 have been restated to exclude William Patrick Library and Kirkintilloch War Memorial Fund which have been wound up. The funds for William Patrick Library were transferred to East Dunbartonshire Leisure and Culture Trust and the remaining funds for Kirkintilloch War Memorial were utilised for the purpose of the charity in 2016/17.

Statement of Balances as at 31 March 2018

Unrestricted Funds 2016/17			Unrestricted Funds 2017/18			
Opening Balance	Surplus / (Deficit)	Closing Balance	Cash and Bank	Opening Note Balance	Surplus / (Deficit)	Closing Balance
£	£	£		£	£	£
			East Dunbartonshire Council			
5,044	27	5,071	Charitable Trusts	5,071	15	5,086
36,729	-69	36,660	Robert Lillie	36,660	-6	36,654
122,064	29,617	151,681	Talbot Crosbie	151,681	3,220	154,901
163,837	29,575	193,412	Total Cash and Bank	193,412	3,229	196,641
Market Value 31 March 2017			Investments	Market Value as at 31 March 2018		
		216,609	Robert Lillie			211,427
		722,934	Talbot Crosbie			698,644
0	0	939,543	Total Investments	0	0	910,071
Value as at 31 March 2017			Other Assets	Value as at 31 March 2018		
		1,336	Robert Lillie			1,342
		4,990	Talbot Crosbie			4,490
0	0	6,326	Total Other Assets	0	0	5,832
Value as at 31 March 2017			Liabilities	Value as at 31 March 2018		
		450	Robert Lillie			450
		1,400	Talbot Crosbie			1,400
0	0	1,850	Total Liabilities	0	0	1,850
163,837	29,575	1,137,431	Overall Total Net Assets	193,412	3,229	1,110,694

N.B. The figures for 2016/17 have been restated to exclude William Patrick Library and Kirkintilloch War Memorial Fund which have been wound up. The funds for William Patrick Library were transferred to East Dunbartonshire Leisure and Culture Trust and the remaining funds for Kirkintilloch War Memorial were utilised for the purpose of the charity in 2016/17.

The audited annual financial statements were issued on 27 September 2018.

Signed on behalf of the Trustees on 27 September 2018 by:

.....
Councillor Vaughn Moody
 Trustee
 East Dunbartonshire Council

.....
Councillor Andrew Polson
 Trustee
 East Dunbartonshire Council

Notes to the Accounts

a) Basis of Accounting

The financial statements have been prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

b) Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the Trustees or any connected persons during the year 2017/18;
- The Trusts received interest of £447 in total from the Council at 31 March 2018, and all transactions incoming and outgoing are made via the Council's bank accounts;
- The Council has not charged the charity any fees for legal, financial or administrative services provided during the year. The Council has also absorbed the cost of the fee payable for the audit of the Trusts' accounts.

c) Investment Activities

As Brewin Dolphin, acting as the Trust's investment manager, bought and sold investments on behalf of the Robert Lillie Trust and the Talbot Crosbie Bequest only the net effect of these transactions is shown in accordance with OSCR's guidelines.

Income and expenditure due but not received or paid in the financial year is shown as an asset or liability in the Statement of Balances so that the closing balance reflects the balance sheet for the Trust. Assets and liabilities are shown at *g* and *h*.

d) Payments

No payments were made during 2017/18 for East Dunbartonshire Council Charitable Trusts.

In 2017/18 no contribution (2016/17 £0.013m) was allocated from the Robert Lillie Trust towards the running cost of the Lillie Art Gallery. This was due to net cost incurred in the trading of stocks and shares by the investment managers, Brewin Dolphin, and this net cost is also shown in the Statement of Receipts and Payments.

Grants of £0.02m (2016/17 £0.015m) were made from the Talbot Crosbie Bequest, as detailed below.

Group Name:	2017/18	2016/17
	£	£
Baldernock Community Trust	240	
Bearsden and Milngavie Highland Games	1,000	1,500
Enable Milngavie and Bearsden	1,000	1,500
Stockiemuir and Buccleuch Tennants Association (SABTA)	100	
Milngavie Old People's Welfare Committee		2,551
Milngavie Pipe Band		2,000
The Way Ahead Group		1,000
Castlehill Baptist Church		500
New Kilpatrick Parish Church		629
Mugstock Festival		1,000
Milngavie in Bloom		500
The Royal British Legion Scotland (Milngavie & Bearsden Branch)		500
Milngavie Community Development Trust		1,632
St Andrews Carpet Bowls Club		100
Bearsden Lawn Tennis Club		500
College of Piping		1,200
	2,340	15,112

e) Cash and Bank Balances

During the year the balances for the Trusts were held by the Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the Trust for this administration. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

f) Investments

The investment valuations of £0.211m for the Robert Lillie Trust and £0.699m for the Talbot Crosbie Bequest are the market valuation as at 31 March 2018, provided by Brewin Dolphin and reflect the decrease in the market value of the portfolios over the year.

g) Assets

Accrual of income from investments relating to the 2017/18 financial year.

h) Liabilities

Accrual of investment management costs relating to 2017/18.